

**DEPARTMENT OF HEALTH SERVICES**

714/744 P Street

P. O. Box 942732

Sacramento, California 94234-7320

(916) 657-1460

December 6, 1996

**PPL No. 96-032**

To All County Medi-Cal Administrative Activities (MAA)/  
Targeted Case Management (TCM) Coordinators and  
Advisory Committee Members

**APPROVED METHODOLOGY TO CALCULATE THE MEDI-CAL PERCENTAGE**

The purpose of this transmittal is to provide local governmental agencies (LGAs) participating in the Medi-Cal Administrative Activities (MAA) program with clarification on the two approved methodologies to determine the Medi-Cal percentage used to discount costs on the MAA invoice.

In Policy and Procedure Letter No. 96-015, LGAs were provided with a standardized format, and instructions to prepare the MAA claiming plan. For example, on page eight of these instructions, the claiming requirements for Medi-Cal Outreach B activities require the LGA to describe the methodology used to determine the Medi-Cal percentage. The following options were provided:

"The approved methods to calculate the discount are (1) county-wide average, and (2) Medi-Cal actual client count. Local governmental agencies (LGAs) may use other reasonable methods to calculate the discount. The Department of Health Services (DHS) and the Health Care Financing Administration (HCFA) will review the methods during the review of the claiming plan."

LGAs are hereby advised that the two approved methodologies are to use either the percentage of the LGA general population which have Medi-Cal Beneficiary Identification Cards (also known as the county-wide average), or an actual count of the Medi-Cal eligibles served. DHS and HCFA will consider other methods used to determine the Medi-Cal percentage during the review of the claiming plan, i.e., other than the county-wide average or an actual count Medi-Cal eligibles served. However, the averaging of the two methods based on weighted factors which are not measurable, or weighted factors which are not based on actual data, is not an acceptable methodology. Please note that MAA claiming plans or invoices submitted to DHS with a Medi-Cal percentage based on an unapproved methodology will be disallowed.

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Please ensure this information is disseminated to appropriate LGA staff. If you have any questions regarding this transmittal, please contact the Patient Access Unit analyst assigned to your local governmental agency.

Sincerely,



Darryl Nixon, Chief  
Medi-Cal Benefits Branch

Targeted Case Management: Medi-Cal Administrative Activities: X Policy Effective Date: July 1, 1995 Policy Reference: PPL No. 96-015
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cc: Cathleen Gentry  
Host County Liaison  
455 Pine Avenue  
Half Moon Bay, CA 94019

Bill Lasowski, Director  
Division of Financial Management  
Medicaid Bureau  
Health Care Financing Administration  
P.O. Box 26678, MSC 4-17-27  
Baltimore, MD 21207-0278

Richard Chambers  
Associate Regional Administration  
Division of Medicaid  
Health Care Financing Administration  
75 Hawthorne Street, Fourth Floor  
San Francisco, CA 94105